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C O N F I D E N T I A L SECTION 01 OF 03 KUWAIT 000497

SIPDIS

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TAGS: [PREL](#) [PGOV](#) [KU](#) [IZ](#)
SUBJECT: KUWAIT ANGLE ON REGIONAL ENGAGEMENT STRATEGY FOR
IRAQ

REF: A. STATE 48144
[1](#)B. KUWAIT 125
[1](#)C. KUWAIT 349
[1](#)D. KUWAIT 462

Classified By: Political Counselor Pete O'Donohue for reasons 1.4 b and
d

[1](#)1. (C) Embassy read with interest ref A discussion of a new diplomatic strategy aimed at securing Iraq's future political stability through an enhanced process of regional integration, including stronger bilateral ties between Iraq and key states. Kuwait's decision to send an Ambassador to Baghdad in October 2008, followed by an exchange of high-level visits in early 2009 (ref B) sparked optimism that the long freeze in official Kuwait - Iraq relations was experiencing a thaw. While these tentative steps set the stage for improved future bilateral cooperation, a reportedly terse exchange over the border issue between Kuwait's Amir and PM Maliki at the April 4 Doha Summit (ref C) -- combined with the dissolution of Kuwait's government and parliament in mid-March pending elections on May 16 -- have undermined bilateral progress. Overall, the GOK remains deeply frustrated by what it perceives to be Iraq's intransigence on a host of issues stemming from Iraq's 1990 invasion, including boundary demarcation, compensation, debt and the return of missing persons and archives. It is also troubled by Iraq's failure to reciprocate Kuwait's gesture of sending an ambassador to Baghdad.

[1](#)2. (C) Notwithstanding halting progress on resolving the leading bilateral issues, Kuwait and Iraq have exchanged a number of bilateral working-level visits in recent months on energy, property and debt issues. Kuwait has been providing approximately one million liters per day of fuel oil to Iraq's Southern Oil Marketing Organization for use in the generation of electricity in Iraq and, according to Kuwait's Ambassador to Iraq, there has been some progress on negotiating MOUs on bilateral education, cultural and medical exchanges (ref D). The GOK anticipates -- pending movement on key issues -- sending its Prime Minister (to be named following the May 16 elections) to Baghdad in coming months and views signature of these MOUs as a possible deliverable. From the GOK side, there is a strong desire to expand and improve bilateral relations with Iraq and, in its view, it has made efforts to be proactive, as in its underwriting funding through a UN-managed account for the construction of new housing for the resettlement for Iraqi farm families currently living in houses that encroach on the Kuwait border and also offering to fund improvements to Iraqi facilities at the Safwan border crossing to expedite the transit of goods. As Kuwaitis frequently note, "We offer, and Iraq refuses to accept the check."

[1](#)3. (C) Given its desire to ensure Iraq's evolution as a stable, responsible and non-aggressive neighbor, the GOK

would likely respond positively, even to the point of hosting a carefully-considered multilateral process that could serve the function of reining Iraq in, but would be leery about its inclusion in processes that, given its relative size, Iraq might come to dominate. For this reason, the GOK has been responsive to inclusion of Iraq in the GCC 3 process, but would resist for the foreseeable future Iraq's inclusion in the GCC itself. There are few existing examples of multilateral processes that include both Kuwait and Iraq; one exception is the participation of both countries in the Tripartite Commission (together with the ICRC, US, France, Britain, and Saudi Arabia) aimed at recovering the remains of missing persons from the 1990 Gulf War. In the GOK view, Iraq's participation in this body has been, thus far, frustratingly recalcitrant.

¶4. (C) The following responds to queries raised in ref A, para 12:

-- Question: In what issue areas is the host government already engaging in bilateral and/or multilateral discussions on functional issues (water, energy security, refugees, border security, health, education, etc) with other countries in the region, regional and international organizations, and NGOs and other private sector actors like foundations and philanthropic organizations?

-- Response: The GOK engages in working-level bilateral technical discussions with Iraq on oil/energy issues and on border security and the maintenance (under UN auspices) of border markers. There are also periodic bilateral engagements and exchanges aimed at improving naval

KUWAIT 00000497 002 OF 003

cooperation on ship movements and security within the Khor Al Abdullah waterway, under U.S. NAVCENT auspices. Kuwait is the first country in the region to have signed a security agreement with NATO and to have participated in a joint naval exercise. While turmoil within Kuwait's military has prevented further initiatives, a future expanded relationship with NATO might create opportunities for engagement with Iraq. Kuwait and Iraq have discussed possible MOUs on cultural, medical and educational exchanges. Kuwait and Iraq both participate in the Tripartite Commission aimed at recovering the remains of persons missing from Iraq's 1990 invasion of Kuwait.

-- Question: From the host country's perspective, which of these groups are working effectively to produce joint action to solve common problems, and which are largely talk shops that have not produced and are unlikely to produce concrete outcomes? Are there best practices in this area that could serve as a model for other taskforces -- or lessons learned, both positive and negative -- from previous experience that should inform the Department's thinking?

-- Response: From the GOK's perspective, the GCC has been effective on issues related to movement of goods and member citizens between the GCC countries, e.g. the establishment of a GCC identification card which allows visa free travel between GCC countries for residents, and the establishment of a GCC customs agreement for movement of goods between GCC member states. The GCC is establishing a joint power grid aimed at increasing overall electricity generation and allowing the cross border movement of electricity to alleviate seasonal shortages. The members are also pursuing the establishment of a common currency and GCC central bank to further facilitate trade. In contrast, the Tripartite Commission (on the return of missing persons) has produced, thus far, minimal results but is worth continuing in the hopes of eventual results responding to a politically sensitive domestic issue. Other bilateral dialogue has taken place on a government-to-government basis on the full range of bilateral issues, at both senior and technical levels. These discussions have produced, at best, incremental progress on advancing the bilateral relationship. There are

no "best practices" to be cited; the GOK's mode of interaction with Iraq is based on patient dialogue and non-confrontation. The challenge, from Kuwait's perspective, is identifying an empowered Iraqi interlocutor; unfortunately, it often appears to them that PM Maliki alone fits that description.

-- Question: Where would the host government see gaps in the capacity of existing multilateral arrangements to agree on regional solutions to regional problems? Are there any specific functional issues for which the host government would support the formation of ad hoc multilateral task forces? Are there subjects where host country would serve as a natural leader?

-- Response: The GOK views as weak the capacity of existing multilateral arrangements to produce regional solutions to regional problems insofar as they involve Iraq. Embassy is unaware of any specific functional issues involving Iraq for which the GOK would support the formation of an ad hoc multilateral task force. Given its small size and difficult geographical position, the GOK is unlikely to serve as a natural regional leader on any multilateral issues focused on Iraq.

-- Question: What other stakeholders -- countries within and outside the region, including the U.S. and regional, international and non-governmental organizations -- would the host government want to include in these discussions? What kind of U.S. role would host country feel would be useful/acceptable in such fora?

-- Response: In general, the GOK would welcome and encourage broad multilateral engagement, to include the GCC, UN and leading European countries (France, UK, Germany and Russia), in Iraq's reconstruction and in ensuring Iraq's development as a non-threatening neighbor. The GOK will view the U.S. role in such an effort as indispensable, including on a long-term basis.

-- Question: From the Embassy's lens, are there any specific functional issues, such as water, the environment, health, or education that might be ripe for an early harvest -- i.e., good candidates for pilot projects to prove the value of new regional networks that would empower countries to reach multilateral solutions to functional, transnational problems?

KUWAIT 00000497 003 OF 003

-- Response: In view of Iraq's need for increased electricity generation and its link to the GCC through the GCC 3 mechanism, it might be worth exploring possible Iraqi participation in the new GCC powergrid project. Kuwait and Iraq have had initial discussions on joint operation of cross border oil fields along the lines of the Kuwaiti-Saudi joint operation agreement in the shared Neutral Zone. Support for and invigoration of these efforts might serve multiple goals, including improving bilateral cooperation, furthering both countries' goals of expanding domestic oil production capacity, removing a potential flashpoint issue, and opening a window of opportunity for U.S. energy and oil company participation in two challenging markets. In addition, Kuwait has extensive expertise on water management, including desalination and waste water treatment. It also has extensive environmental experience related to its clean-up of oil field damage incurred during the 1990 Iraqi invasion. Kuwait also has extensive and relatively advanced health and education systems. The GOK and GOI have already discussed possible exchanges in the health, culture and education sectors. Under the proper circumstances, the GOK might be prepared to support the involvement of environment, health, water management or education experts in bilateral or multilateral fora.

-- Question: What other sensitivities would the host government have in terms of membership (Iran, Israel, Iraq)

etc?

-- Response: The GOK would decline to join any multilateral processes that included Israel, and would be leery about Iranian participation in processes that dealt with security or which appeared to open the door to increased Iranian cultural, political or religious influence in the region.

-- Question: What functional issues or organizational arrangements would best encourage host governments to expand membership as comprehensively as possible (including Iran, Israel, Iraq, etc)?

-- Response: The GOK views existing multilateral arrangements (UN, IAEA, GCC) as sufficient for dealing with the bulk of regional issues and is not likely to welcome the expansion or creation of new instruments, particularly if they include Israel or Iran.

-- Question: What would be an effective diplomatic engagement strategy for us to advance such a concept in the region, and in particular, with your host government?

-- Response: Intensive, personal engagement by senior USG officials backed by long-term assurances of U.S. support for Kuwait's security, sovereignty and territorial integrity.

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